



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE

FISCAL REVIEW COMMITTEE

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REPORT OF THE FISCAL REVIEW COMMITTEE TO THE GENERAL ASSEMBLY FOR THE QUARTER ENDED JUNE 30, 2009

JULY 7, 2009

This quarterly report of the activities of the Fiscal Review Committee during the second quarter of calendar year 2009 is submitted pursuant to Tenn. Code Ann. § 3-7-105.

Review of Edison System Implementation

Due to numerous complaints and concerns expressed to members of the Committee concerning the State's new Edison computer system, the Committee asked the Comptroller of the Treasury to undertake a review of the human resources component of the system. Committee members had received complaints about mishandling of paychecks, annual leave, 401(k) retirement payments, and other matters. The Committee asked the Comptroller to survey all state employees concerning their experience with this system.

The Comptroller submitted his report to the Committee on May 20, 2009. The report, which is posted on the Comptroller's website along with the results of the survey, found substantial systemic problems with the implementation of the Edison system. The Comptroller has expanded his review to include the financial component of the Edison system, citing the need to ensure accurate and timely payment of the State's obligations, among other concerns. The Department of Finance and Administration has retained the Gartner consulting firm to provide an independent evaluation of the system.

As a result of the Gartner review, the Department of Finance and Administration announced on June 26, that implementation of the financial component would be delayed from July 1, 2009, to September 1, 2009, for 10 agencies and functions of State government, and from July 1, 2009, to October 1, 2009, for six additional agencies and functions of State government. The postponement will allow time for additional training and testing to ensure that Edison functions properly for each agency's needs.

Proposed Non-Competitive Contracts

On April 13, April 27, May 11, May 20, June 1, and June 22 the Committee heard testimony on proposed non-competitive contracts from various departments pursuant to its statutory responsibilities. The Committee reviewed 44 contracts with a total value of \$4.35 billion. At the Comptroller's request, the Committee staff also reviewed a proposed competitive contract from the Department of Education for student reporting software. The Department had proposed a 10-year term for the contract. In the absence of a compelling justification for a longer term, the Committee staff recommended that the term of the contract be shortened to five years, the maximum term normally allowable. The Comptroller agreed with this recommendation. The Department adopted it and the final contract term was shortened to five years.

Fiscal Notes

By the conclusion of the 2009 regular session of the General Assembly, the Committee staff had written 2,567 fiscal notes with 84 corrected notes (a correction rate of three percent), and 883 fiscal memos on amendments to bills with 56 corrected memos (a correction rate of six percent). The Committee staff issued a total of 3,450 fiscal notes and memos. The final cumulative fiscal note will be completed after all public chapters have been assigned. An interim cumulative fiscal note has been completed for Public Chapters 1-434 and is posted on the Committee's web page under Reports. The final cumulative fiscal note will be e-mailed to all members of the General Assembly and will be posted on the Committee's web page.



Senator Bill Ketron, Chairman